

By: Morrison

H.B. No. 3015

Substitute the following for H.B. No. 3015:

By: Chavez

C.S.H.B. No. 3015

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the tuition charged to students of institutions of
3 higher education and to student financial assistance funded by
4 tuition.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 54.0513, Education Code, is amended to
7 read as follows:

8 Sec. 54.0513. DESIGNATED TUITION [~~REDESIGNATION OF~~
9 ~~BUILDING USE FEE~~]. (a) [~~The building use fee previously authorized~~
10 ~~in Section 55.16 of this code is redesignated as tuition.~~

11 [~~(b)~~] In addition to amounts that a governing board of an
12 institution of higher education is authorized to charge as tuition
13 under the other provisions of this chapter, the governing board is
14 authorized to charge an amount designated as tuition in an academic
15 year an amount not to exceed the amount charged under Sections
16 54.051 or 54.0512, as applicable, in that academic year.

17 (b) In addition to the amounts authorized by Subsection (a),
18 the governing board of an institution of higher education may
19 charge a resident undergraduate student an additional amount
20 designated as tuition as follows:

21 (1) for the 2003-2004 academic year, an amount not to
22 exceed \$23 per semester credit hour;

23 (2) for the 2004-2005 academic year, an amount not to
24 exceed \$46 per semester credit hour; and

1 (3) unless otherwise expressly provided by this code,
2 for the 2005-2006 academic year and thereafter, an amount the
3 governing board considers necessary, and charged under the terms
4 the governing board considers appropriate, for the effective
5 operation of the institution.

6 (c) For a nonresident student or a student enrolled in a
7 graduate or professional degree program, the governing board of an
8 institution of higher education may charge amounts designated as
9 tuition in the amounts and under the terms the governing board
10 considers necessary for the effective operation of the institution.

11 (d) A governing board may set a different tuition rate for
12 each program and course level offered by each institution of higher
13 education. A governing board may set a different tuition rate as
14 the governing board considers appropriate to increase graduation
15 rates, encourage efficient use of facilities, or enhance employee
16 performance.

17 (e) Amounts collected by an institution of higher education
18 under this section are institutional funds as defined by Section
19 51.009 [~~of this code~~] and shall be accounted for as designated
20 funds. These funds shall not be accounted for in a general
21 appropriations act in such a way as to reduce the general revenue
22 appropriation to a particular institution.

23 (f) [~~(d)~~] A governing board may waive all or part of the
24 tuition charged to a student under this section if it finds that the
25 payment of such tuition would cause an undue economic hardship on
26 the student.

27 (f) [~~(e)~~] Section 56.033 of this code requiring certain

1 percentage amounts of tuition to be set aside for grants and
2 scholarships does not apply to tuition collected under this
3 section.

4 (g) [~~(f)~~] A governing board of an institution of higher
5 education may continue to charge as tuition under this section the
6 amount that it charged as the building use fee at that institution
7 in the 1996-1997 academic year without holding a public hearing,
8 but may not increase tuition under this section above that amount
9 without holding a public hearing.

10 SECTION 2. Section 54.051, Education Code, is amended by
11 adding Subsection (o) to read as follows:

12 (o) Tuition may not be charged under this section or under
13 Section 54.0512 for any academic period after the 2004-2005
14 academic year.

15 SECTION 3. Chapter 56, Education Code, is amended by adding
16 Subchapter B to read as follows:

17 SUBCHAPTER B. FINANCIAL ASSISTANCE FUNDED

18 FROM DESIGNATED TUITION

19 Sec. 56.011. RESIDENT UNDERGRADUATE STUDENT ASSISTANCE.

20 (a) The governing board of each institution of higher education
21 shall cause to be set aside not less than 15 percent of any amount of
22 tuition charged to a resident undergraduate student under Section
23 54.0513 in excess of \$46 per semester credit hour. The funds set
24 aside under this section by an institution shall be used to provide
25 financial assistance for resident undergraduate students enrolled
26 in the institution.

27 (b) To be eligible for assistance under this section, a

1 resident undergraduate student must establish financial need in
2 accordance with rules and procedures established by the Texas
3 Higher Education Coordinating Board. Priority shall be given to
4 resident undergraduate students who meet the coordinating board
5 definition of financial need, and whose cost for tuition and
6 required fees is not met through other non-loan financial
7 assistance programs.

8 (c) The financial assistance provided under this section
9 may include grants, scholarships, and work-study programs.

10 Sec. 56.012. NONRESIDENT UNDERGRADUATE STUDENT ASSISTANCE.

11 (a) The governing board of each institution of higher education
12 shall cause to be set aside not less than three percent of any
13 amount of tuition charged under Section 54.0513 to a nonresident
14 undergraduate student in excess of \$46 per semester credit hour.
15 The funds set aside under this section by an institution shall be
16 used to provide financial assistance for nonresident undergraduate
17 students enrolled in the institution.

18 (b) To be eligible for assistance under this section, a
19 nonresident undergraduate student must establish financial need in
20 accordance with rules and procedures prescribed by the Texas Higher
21 Education Coordinating Board. Priority shall be given to
22 nonresident undergraduate students who meet the coordinating board
23 definition of financial need, and whose cost for tuition and
24 required fees is not met through other non-loan financial
25 assistance programs.

26 (c) If the funds set aside under this section exceed the
27 amount required to provide financial assistance to each eligible

1 nonresident undergraduate students eligible, the institution may
2 use the excess funds to provide the same type of financial need for
3 students who qualify for financial assistance under Section 56.011.

4 SECTION 4. Subchapter H, Chapter 51, Education Code, is
5 amended by adding Section 51.4031 to read as follows:

6 Sec. 51.4031. REPORTS OF AFFORDABILITY AND ACCESS. (a) Not
7 later than November 30, 2004, the chief executive officer of each
8 institution of higher education, as defined by Section 61.003,
9 shall provide to the governing board of the institution a report for
10 the preceding fall, spring, and summer semesters that examines the
11 affordability and access of the institution.

12 (b) The report must include:

13 (1) statistical information on the percentage of gross
14 family income required for a student who is a resident of this state
15 to pay tuition and required fees charged by the institution;

16 (2) the criteria used by the institution to admit
17 students to the institution;

18 (3) an analysis of the criteria used to admit students
19 and to award financial assistance to students, considering the
20 mission of the institution and the purposes of higher education in
21 this state; and

22 (4) comparisons of the institution with peer
23 institutions in this state and in other states with respect to
24 affordability and access.

25 (c) For purposes of the report, a student who applies for
26 admission to or enrolls in an institution and applies for financial
27 aid from the institution may be required to provide documentation

1 necessary for the institution to complete the report.

2 (d) An institution's report must be in the form prescribed
3 by the Texas Higher Education Coordinating Board in consultation
4 with the institution.

5 SECTION 5. Section 54.619, Education Code, is amended by
6 adding Subsection (j) to read as follows:

7 (j) The board may suspend new enrollment in the program as
8 the board considers necessary to ensure the actuarial soundness of
9 the fund.

10 SECTION 6. Section 54.622, Education Code, is amended to
11 read as follows:

12 Sec. 54.622. TYPES OF PLANS. The board may, in its sole
13 discretion, [shall] make prepaid tuition contracts available for
14 the:

- 15 (1) junior college plan;
- 16 (2) senior college plan;
- 17 (3) junior-senior college plan; and
- 18 (4) private college plan.

19 SECTION 7. Section 54.624, Education Code, is amended to
20 read as follows:

21 Sec. 54.624. SENIOR COLLEGE PLAN. (a) Through the senior
22 college plan, a prepaid tuition contract shall provide prepaid
23 tuition and required fees for the beneficiary to attend a public
24 senior college or university for a specified number of
25 undergraduate credit hours not to exceed the typical number of
26 hours required for a baccalaureate degree awarded by a public
27 senior college or university.

1 (b) When the beneficiary of a senior college plan prepaid
2 tuition contract enrolls in a public senior college or university,
3 the university shall accept as payment in full of the beneficiary's
4 tuition and required fees the lesser of:

5 (1) the amount of tuition and required fees charged by
6 the institution; or

7 (2) an amount paid by the board under the contract
8 equal to the weighted average amount of tuition and required fees of
9 all public senior colleges and universities for that semester or
10 other academic period as determined by the board.

11 (c) Each public senior college or university shall provide
12 the information requested by the board on or before June 1 each year
13 to assist the board in determining the weighted average amount of
14 tuition and required fees of all public senior colleges and
15 universities for each semester or other academic term of the
16 following academic year for purposes of this section.

17 SECTION 8. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2003.